

CITY COUNCIL AGENDA MEMORANDUM

SUBJECT

Resolution No. 8710 authorizing approval of payment of \$106,810.39 for a Release of All Claims in final settlement of a claim against the City for property damage to the Eastgate Congregational United Church of Christ caused by a wastewater system failure.

FISCAL IMPACT

This claim may be settled in full by payment of \$106,810.39 to the claimant for property damage sustained by Eastside Congregational United Church of Christ aka Eastgate Congregational LLC. Sufficient funds exist within the City's General Self-Insurance Fund for this expenditure.

STAFF CONTACT

Nav Otal, Director 452-2041
Utilities Department

Rick Olsen, Acting Risk Manager 452-6149
City Attorney's Office

POLICY CONSIDERATION

State Law:

RCW 4.96.010 authorizes persons suffering injury or damage as a result of City actions to pursue claims against the City for such injury or damage and to sue the City if such claims are denied.

Bellevue City Code:

BCC 4.36.030 states that Council must approve payment of damage claims that exceed \$20,000.

BACKGROUND

On July 28, 2013, wastewater backed up into the entire lower level of the church located at 15318 SE Newport Way in Bellevue due to a root intrusion into the City's sewer main that serves the church. Eastgate Congregational United Church of Christ filed a Claim for Damages against the City on August 20, 2013, claiming an undetermined amount of damages. The City, through the efforts of Evergreen Adjustment Services, Inc., has been processing the Church's claim since the date of the incident. Cleaning and repair costs have been paid following receipt of partial releases from the claimants. Compensation has been made for clean-up and repairs of real property, packout and contents restoration of personal property, heating system repairs, and damage to personal property.

Given the amount of this claim, final settlement payment must be authorized by the City Council. The Risk Manager has reviewed the claim, analyzed the demand for payment, and recommends settlement. The Utilities Department concurs with this recommendation. The City Attorney's Office has reviewed the claim, analyzed the legal liability for the claim, and concurs with the Risk Manager's recommendation. An agreement has been signed by the claimants offering to release the City from all claims arising from this event, subject to approval by the City Council.

EFFECTIVE DATE

If adopted, this Resolution will be effective immediately.

OPTIONS

1. Adopt Resolution No. 8710 authorizing approval of payment of \$106,810.39 for a Release of All Claims in final settlement of a claim against the City for property damage to Eastgate Congregational United Church of Christ caused by a root intrusion into the City's sewer main that serves the church.
2. Do not adopt Resolution No. 8710 and provide alternative direction to staff regarding the claim.

RECOMMENDATION

Adopt Resolution No. 8710 authorizing approval of payment of \$106,810.39 for a Release of All Claims in final settlement of a claim against the City for property damage to Eastgate Congregational United Church of Christ caused by a root intrusion into the City's sewer main that serves the church.

MOTION

Move to adopt Resolution No. 8710 authorizing approval of payment of 106,810.39 for a Release of All Claims in final settlement of a claim against the City for property damage to Eastgate Congregational United Church of Christ caused by a root intrusion into the City's sewer main that serves the church.

ATTACHMENTS

Proposed Resolution No. 8710

CITY OF BELLEVUE, WASHINGTON

RESOLUTION NO. 310

A RESOLUTION authorizing approval of payment in the amount of \$106,810.39 for a Release of All Claims in final settlement of a claim against the City for property damage to the Eastgate Congregational United Church of Christ caused by a wastewater system failure.

THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES RESOLVE AS FOLLOWS:

Section 1. The Council approves payment of \$106,810.39 for a Release of All Claims in final settlement of a claim against the City for property damage to the Eastgate Congregational United Church of Christ caused by a wastewater system failure, a copy of which Release of All Claims has been given Clerk's Receiving No. _____.

Passed by the City Council this _____ day of _____, 2014, and signed in authentication of its passage this _____ day of _____, 2014.

(SEAL)

Claudia Balducci, Mayor

Attest:

Myrna L. Basich, City Clerk